

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022076684401**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: John Nicholas Matson
Former General Securities Representative
CRD No. 1796541

Pursuant to FINRA Rule 9216, Respondent John Nicholas Matson (Matson) submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Matson first registered in March 1996 as a General Securities Representative through his association with a FINRA member. In November 2017, Matson became registered as a General Securities Representative and General Securities Principal through his association with FINRA member LPL Financial LLC. Matson's registration was terminated by LPL Financial in a Uniform Termination Notice for Securities Industry Registration (Form U5) filed on December 7, 2022 for Matson's failure to fully cooperate with the firm's internal investigation of his conduct for potential fraud or wrongful taking of property, or violating investment-related statutes, regulations, rules or industry standards of conduct.

Matson is not currently registered with a FINRA member. However, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

OVERVIEW

Matson violated FINRA Rules 8210 and 2010 by refusing to provide documents and information requested by FINRA pursuant to FINRA Rule 8210.

¹ For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

FACTS AND VIOLATIVE CONDUCT

This matter originated from an 80 year-old customer's call to the FINRA Securities Helpline for Seniors on October 25, 2022, in which the customer advised that Matson had recommended the customer invest in a promissory note, and had thereafter ceased making promised interest payments on the note.

FINRA Rule 8210(a)(1) provides, in relevant part, that FINRA has the right to "require a . . . person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in the investigation, complaint, examination or proceeding." FINRA Rule 8210(c) provides that "[n]o member or person shall fail to provide information . . . pursuant to this Rule."

A failure to comply with requests for documents and information issued pursuant to FINRA Rule 8210 is also a violation of FINRA Rule 2010, which requires associated persons, in the conduct of their business, to "observe high standards of commercial honor and just and equitable principles of trade."

On November 23, 2022 FINRA sent a request to Matson pursuant to FINRA Rule 8210 seeking information and documents in connection with its investigation into the customer's investments in promissory notes recommended by Matson. In calls with Matson on November 22, 2022 and December 2, 2022, and through his email to FINRA on December 2, 2022, and by this agreement, Matson has acknowledged that he received FINRA's Rule 8210 request and will not produce the information or documents requested at any time. By refusing to provide the information or documents requested pursuant to FINRA Rule 8210, Matson violated FINRA Rules 8210 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a bar from associating with any FINRA member in all capacities

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. See FINRA Rules 8310 and 8311.

The sanctions imposed in this AWC shall be effective on a date set by FINRA. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA for legal advice. Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

December 13, 2022

Date

John Nicholas Matson

John Nicholas Matson
Respondent

Accepted by FINRA:

Signed on behalf of the
Director of ODA, by delegated authority

December 19, 2022

Date

Rebecca Kinburn

Rebecca Kinburn
Counsel
FINRA
Department of Enforcement
581 Main St. # 710
Woodbridge, NJ 07095